

COUNTY OF YORK

MEMORANDUM

DATE: September 29, 2003 (BOS Mtg. 10/7/03)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Request by Colonial Services Board for Industrial Revenue Bonds

The Industrial Development Authority has been notified by the Colonial Services Board that they would like to issue industrial development revenue bonds to refund a 1994 revenue and refunding bond and construct a new office building adjacent to the Colonial Services Board offices at 1657 Merrimac Trail. The principal amount of the industrial revenue bond is not to exceed \$2,000,000. As this project and current bond are for activities in York County, and the Colonial Services Board has asked the City of Williamsburg's Industrial Development Authority to issue these bonds, this action must be approved by the Board of Supervisors.

The Colonial Services Board initially contacted the York County Industrial Development Authority regarding their interest in issuing these bonds. These bonds will be "bank qualified" which will generate a lower interest rate for the Issuer. One of the requirements to issue "bank qualified" bonds is that a locality must not issue more than \$10 million in tax-exempt bonds in that year. We are planning to issue bonds exceeding \$10 million this year for the waterfront revitalization and other County projects. Therefore, we suggested that the Colonial Services Board seek assistance with this financing from another locality that is able to provide "bank qualified" bonds. The Industrial Development Authority of the City of Williamsburg has agreed to issue "bank qualified" bonds for the Colonial Services Board.

The York County Industrial Development Authority intends to pass a resolution supporting Colonial Services Board request that the Williamsburg Industrial Development Authority issue bonds for this work at their October 1st meeting. It is also necessary for the Board of Supervisors to adopt a similar resolution authorizing the Williamsburg Industrial Development Authority to issue bonds for this work in York County. A Certificate of Resolution, which certifies that the Industrial Development Authority held its required public hearing October 1, will be sent to you as late material.

As York County is unable to provide "bank qualified" bonds for this project, I recommend that we authorize the City of Williamsburg Industrial Development Authority to issue industrial development revenue bonds in an amount not to exceed

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\$2,000,000 for the Colonial Services Board refunding and office project. This can be accomplished by approving proposed resolution R03-170.

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Attachment